

# ISSUES PAPER

## THE 2014 ANNUAL REPORT ON RESULTS AND IMPACT OF IFAD OPERATIONS (ARRI)

### Project Management in IFAD-supported Operations

#### I. Introduction

1. **Background.** The 2013 Annual Report on Results and Impact of IFAD Operations (ARRI)<sup>1</sup> recommended that the learning theme to be covered by the 2014 ARRI should examine the role of government, with a particular emphasis on strengthening the performance of project management. Subsequent discussions highlighted the centrality of project management arrangements and turned attention to the role of the government and IFAD with respect to these arrangements. Nevertheless, although the 2014 ARRI learning theme is devoted to project management issues more generally, special attention has been devoted to project management arrangements as key to the success of IFAD-funded operations.
2. It is important to underline upfront that the preparation of this Issues Paper<sup>2</sup> should not be considered equivalent to an evaluation by the Independent Office of Evaluation of IFAD (IOE). The Issues Paper is based only on a review of previous IOE evaluation reports and other evaluative documents, and discussions with IFAD Management and staff as well as IOE staff. It has not been informed by visits to IFAD-funded projects.<sup>3</sup>
3. The broad aim of the Issues Paper is to serve as the main background document for, and stimulate discussion in, the 2014 learning workshop<sup>4</sup> on the ARRI, IOE's annual flagship report. The main elements contained in the Issues Paper and feedback by participants at the ARRI workshop will provide the basis for preparing a dedicated chapter on project management for inclusion in the 2014 ARRI document. The latter

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<sup>1</sup> Based on independent evaluations by IOE, the ARRI captures the results of IFAD operations at the aggregate level, and raises systemic issues and lessons that need attention to further strengthen the Fund's development effectiveness. The first edition of the ARRI was issued in 2003.

<sup>2</sup> This Issues Paper was produced under the leadership of Ashwani Muthoo (IOE Deputy Director). He was supported by Anil Sood (IOE consultant), Simona Somma (Evaluation Officer), Melba Alvarez (Evaluation Communication and Knowledge Management Officer) and Linda Danielsson (Assistant to IOE Deputy Director). Other IOE staff contributed to its peer review.

<sup>3</sup> This is due to the limited resources available and consistent with the approach taken in the preparation of all previous ARRI issues papers since 2007.

<sup>4</sup> To be held on 19 September 2014 at IFAD headquarters.

will be discussed with the IFAD Management, Executive Board and Evaluation Committee between October and December 2014.

4. Moreover, it is useful to clarify that the Issues Paper covers only the subject of project management and related arrangements in IFAD-funded projects, and does not aim to cover wider issues related to the institutional architecture of IFAD-funded projects, nor does it attempt to provide an assessment of service providers (e.g. NGOs, ministries of agriculture, private sector, civil society, etc.) who also have an important role in the implementation of IFAD-funded projects.
5. **Context.** In the context of operations funded by IFAD and other international financial institutions (IFIs), project management broadly refers to the management and coordination of the different elements of project implementation. These include, inter alia: design and engineering; procurement of works, goods and services; financial management; and, importantly, monitoring and evaluation (M&E). As has been long-recognized in the development community (and elsewhere), effective project management is a vital condition for successful project implementation. Project management arrangements encompass project management units (PMUs) but go beyond them. While project implementation itself is distinct from project management in theory, the two overlap in practice. The IFAD Policy and Technical Advisory Division (PTA) recently did a study<sup>5</sup> on project management arrangements. Among other issues, the study emphasised that project management goes beyond PMUs, which are but one link in the borrower-to-beneficiary (B2B) chain.
6. On a related issue, it is necessary to point out that the project management units of IFAD-supported projects are entirely staffed by national officers and do not include international personnel on their staff. This is unlike projects funded by several other bilateral or multilateral development organizations (e.g. Food and Agriculture Organization of the United Nations or United Nations Development Programme) or international NGOs, which often have dedicated international staff assigned on a full-time basis to projects at the country level.
7. It is also important to clarify the role of IFAD country programme managers (CPMs) in relation to the management of IFAD-funded projects. CPMs (whether Rome-based or out-posted in recipient countries) are not directly involved in the day-to-day management or implementation of IFAD-supported projects. CPMs do however play an indirect role, for example, by undertaking project supervision that includes recommendations for improving project management and implementation; providing implementation support on a periodic basis (e.g. by mobilizing consultants in specific technical areas – such as for gender mainstreaming or M&E - to support project management teams); providing inputs in the preparation of the project's annual work programmes and budget; reviewing the proposed candidates for the position of project directors; and providing clearance on withdrawal application of loan funds, and for authorizing the replenishment of project special accounts.
8. Each IFAD-funded project has custom project management arrangements, outlined in its Project Implementation Manual. The basis of these arrangements, virtually as standard practice, is the project unit, in a variety of forms. Other IFIs and United Nations development agencies also rely on similar arrangements. The issue of these units, termed "project implementation units" (PIUs) or PMUs, in the parlance of international development agencies, drew a lot of attention in the early 2000s. The 2004 *World Development Report* cited studies of World Bank projects in Latin America, Europe and Central Asia, which showed that PIUs have no significant impact on project outcomes, while undermining sustainability of results. The *World Development Report* argued against PIUs, noting that "a better choice to improve aid effectiveness is to

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<sup>5</sup> Effective Project Management Arrangements for Agricultural Projects: A Synthesis of Selected Case Studies, PTA (2013).

phase these units out and to work with the recipient's provider organizations, building their capacity."<sup>6</sup> A 2005 evaluation at the Asian Development Bank (ADB) concluded differently—that PIUs are a generally justifiable implementation arrangement for capital investment projects—and made a number of recommendations (see box 1 for the guidance/recommendations emerging from the PIU evaluation at ADB).<sup>7</sup>

**Box 1. Recommendation from the Asian Development Bank's Special Evaluation Study on Project Implementation Units**

- The Asian Development Bank (ADB) should more systematically assess the potential effects of project implementation arrangements on agent capacity.
- The project implementation arrangement should be chosen based on analysis of project, agency, and country context.
- If the loan modality and government preferences require the establishment of a project implementation unit (PIU), ADB should encourage the use of PIUs that are staffed internally.
- The risk that separate PIUs undermine the parent agency's project management capacity needs to be assessed and mitigated.
- In cases where separate PIUs are planned, ADB and executing agencies should agree on their exit strategy.
- The cost of project management and capacity development should be more systemically analysed during project preparation.
- Country portfolio review should monitor the effects of implementation arrangements on development capacity.

9. The Paris Declaration on Aid Effectiveness, directed at reforming the ways countries and development agencies delivered and managed aid (March 2005), focused on the subject as part of the five principles<sup>8</sup> put forth by participating countries and organizations (including IFAD). The first principle emphasized ownership of developing countries in setting their own strategies for poverty reduction. The second principle was for donor countries to align behind these objectives and use local systems for project implementation. Within this principle, strong emphasis was put on avoiding the use of parallel PIUs. This was based on the argument that these structures are often "set up outside (and therefore parallel with) existing country institutions and structures and can as a result, undermine efforts to strengthen the capacity of core government institutions, distort public sector staffing and salary levels, and reduce the degree of control and accountability exercised by partner governments in the implementation of aid-funded activities."<sup>9</sup>
10. In light of this, donors committed to reduce by two-thirds the number of PIUs over the period of 2005-2010. A 2010 Organization for Economic Co-operation and Development (OECD) progress review stated that the total number of parallel PIUs decreased from 1,696 in 2005 to 1,158 in 2010. As shown in table 1, IFAD was the only participating IFI where the analysis showed an increase in the number of PIUs. It should be noted that the same study indicated that IFAD had made significant progress in other areas such as the use of country systems. In 2011, the Busan Partnership agreement reaffirmed the importance of the use and strengthening of

<sup>6</sup> *World Development Report 2004: Making Services Work for Poor People* ([World Bank, 2004](#)).

<sup>7</sup> *Special Evaluation Study on the Role of Project Implementation Units* ([Asian Development Bank, 2005](#)).

<sup>8</sup> The five principles were: ownership by partner countries; alignment of donors with partners; harmonization among donors; management for results; and mutual accountability.

<sup>9</sup> *Aid Effectiveness 2005-2010: Progress in Implementing the Paris Declaration* ([OECD, 2011](#)).

country systems, calling on IFIs to engage in dialogue on capacity-building with governments.<sup>10</sup>

**Table 1. Trends in use of parallel PIUs\***

<i>International financial institution</i>	<i>Number of PIUs</i>		<i>Percentage change</i>
	<i>2005</i>	<i>2010</i>	
IFAD	13	28	+115%
Inter-American Development Bank	29	27	-7%
African Development Bank	132	46	-65%
World Bank	216	44	-80%
Asian Development Bank	39	2	-95%

Source: *Aid Effectiveness 2005-2010: Progress in Implementing the Paris Declaration* (OECD, 2011)

\* The OECD review looked at IFAD projects in 32 countries and counted the number of PIUs parallel to country structures, and compared the numbers with those from 2005; accordingly, the increase reflects an increase in absolute numbers over time as more projects were added. It should be noted that there is some “debate” about the validity/consistency of these numbers. *Aid Effectiveness 2005-2010: Progress in Implementing the Paris Declaration* (OECD, 2011).

11. One explanation for the increase in the number of PIUs in IFAD-funded projects could be related to the nature of operations funded by IFAD. Firstly, unlike the other organizations listed in table 1, IFAD only funds projects in the agriculture sector with the ministries of agriculture as the lead executing agency in the majority of the cases. In fact, evaluations have found that in many countries the ministries of agriculture are often under-resourced and have limited capacity to effectively provide the essential services and inputs required by IFAD-supported projects in a timely manner. Secondly, again unlike the other organizations, IFAD-financed projects are normally located in remote rural areas – where institutions, services, and infrastructure are weak - and have a very distinct mandate and development approach with significant attention to grass roots institutional development, smallholder agriculture development, participatory processes and promoting of gender equality and women’s empowerment. These are some factors that might explain why IFAD-funded projects rely more extensively on PIUs as compared to other agencies.
12. The 2013 PTA study (see para 5 above) looked into efficient project management arrangements for market-oriented smallholder agriculture. It reviewed the effectiveness of PMUs and their alignment with Paris Declaration commitments. The same year, PTA also published "Strengthening institutions and organizations: An analysis of lessons learnt from field application of IFAD’s sourcebook on institutional and organizational analysis for pro-poor change."<sup>11</sup> The findings and recommendations of this review of the application of the 2008 Country Strategic Opportunities Programme (COSOP) sourcebook were supplemented with a “toolkit for institutional and organizational analysis and capacity development to be used during country programme (COSOP) design and project design and implementation.” This toolkit important institutional guidance that specifically pertains to project management arrangements.

<sup>10</sup> *The Busan Partnership for Effective Development Co-operation* (OECD, 2011).

<sup>11</sup> [http://www.ifad.org/english/institutions/synthesis/synthesis\\_report\\_web.pdf](http://www.ifad.org/english/institutions/synthesis/synthesis_report_web.pdf)

## **Box 2. Recommendations from the PTA Study: Effective Project Management Arrangements for Smallholder Agriculture**

- A study into the issue of strategic guidance and the impact/effectiveness of strategic guidance mechanisms such as steering committees.
- Generic capacity-building curriculum, approach, and the relevant tools to allow standardized and high-quality capacity-building of the strategic management mechanisms for use by future projects.
- A further detailed study into the borrower-to-beneficiary (B2B) chain.
- Further baseline analysis to express the direct and relative significance of B2B and PMU-related issues to the quantitatively assessed ARRI scores on key performance criteria.
- Update the Institutional Organizational Analysis toolkit to take on board the B2B learnings.

13. Currently, IFAD does not maintain a database of the kinds of PMUs or other management arrangements that are put in place, their cost, or their scope.<sup>12</sup> While there are policies and guidance in several aspects of project design, such as in gender equality and women's empowerment, there is no specific institutional guidance on project management arrangements. The two PTA studies, and this Issues Paper, all approach the issue of project management arrangements with the caveat that IFAD has not conducted a portfolio-wide review specifically devoted to project management or project management arrangements in the past. This paper draws on the two PTA studies, highlighting issues surrounding project management that merit further study and discussion with the goal of improving IFAD's project and development effectiveness.

## **II. Objectives and approach**

14. The main objective of this Issues Paper is to: (i) capture some of the main lessons and good practices with regard to project management in general and project management arrangements in particular; and (ii) identify systemic and cross-cutting issues on the topic that need to be considered for better implementation performance and greater development effectiveness in the future.
15. As an additional objective, as already mentioned earlier, the aim of the Issues Paper is also to identify specific areas or themes that might require further analysis and study in the future, possibly through a corporate-level evaluation by IOE. In fact, the 2013 ARRI discussed with the Board in December of last year recommended that: "IOE should work with IFAD Management to design and implement a corporate-level evaluation on project management. This should include project-level M&E". The Board adopted this recommendation.<sup>13</sup>
16. In addition to learning from past studies at IFAD and other IFIs, the Issues Paper draws on a review of 60 projects that were approved within the last 14 years (see annex 1 for details). The 60 projects are roughly equally divided across three groups: completed projects (approved in 1999-2004); projects far along in implementation (approved 2007-2008); and recently launched projects where early project status reports (PSRs) are available (approved in 2011). Within this time period, some projects were selected based on interviews with IFAD staff, while in other cases a project from each cohort was picked from the same country to highlight any changes over time. Project selection also took into account the regional division of IFAD's loan portfolio. Information is drawn from the ARRI and project status reports databases as well as a wide range of operational documents: project design reports, financing

<sup>12</sup> Other IFIs also do not maintain such a database either.

<sup>13</sup> See minutes of the December 2013 Board session (document EB/110/Rev.1).

agreements, supervision reports, mid-term reviews, project completion reports, portfolio performance and quality assurance reports, project evaluations and performance assessments, and country programme evaluations (see annex 2). This was supplemented with interviews with IOE staff, selected CPMs and other Programme Management Department staff and managers (see annex 3).

### **III. Performance related to project management aspects**

17. There is no simple way to capture and/or rate the performance of project management or project management arrangements, partly due to their complexity and variety, as discussed in the following section. The other reason for this is because there is no dedicated evaluation criterion in the IOE methodology that only assesses the performance of project management *per se*. Project management is however analysed within the broader framework of the assessment of government performance as a partner and project sustainability, respectively, which are two dedicated evaluation criteria in the IFAD/IOE Evaluation Manual.<sup>14</sup>
18. In light of the above, independent evaluation ratings by IOE can provide some indication of the performance of project management. The “spider” chart (see figure 1) shows very low ratings<sup>15</sup> for government performance and sustainability, particularly when measured against the standard of satisfactory or better.<sup>16</sup> However, caution should be exercised in interpreting this data because, as mentioned above, project management performance is only one of the several dimensions that is assessed by IOE in evaluating government performance and sustainability, respectively.
19. In addition, IOE evaluations reports include some qualitative, cross cutting explanatory factors affecting the performance of project management. These include but are not restricted to: delays in appointment of and frequent rotation/changes in project staff; low priority attributed to M&E activities; challenges in applying the IFAD Results and Impact Management System, which requires project staff to collect data across many indicators for reporting to IFAD; limited knowledge of IFAD policies, priorities and operational procedures; relationship management and communication challenges due to the higher compensation packages provided to project staff as compared to national compensation packages (which is exacerbated when PMU staff belong to line ministries and are seconded only for the project period);<sup>17</sup> and uneasy relationship with, and interference by, the designated executing agency.
20. The evaluations also underline some positive characteristics that enhance the performance of project management, for example, the commitment and ownership of project management staff; regular implementation support by IFAD; participation in annual country-level portfolio reviews and regional implementation workshops that provide an opportunity to learn from the experiences of other IFAD-funded projects in the same country/region; clear guidelines and procedures for procurement and financial management; and participation in dedicated training on specific issues of priority to IFAD and the project (e.g. gender mainstreaming, financial management, rural finance, participatory M&E, etc.).

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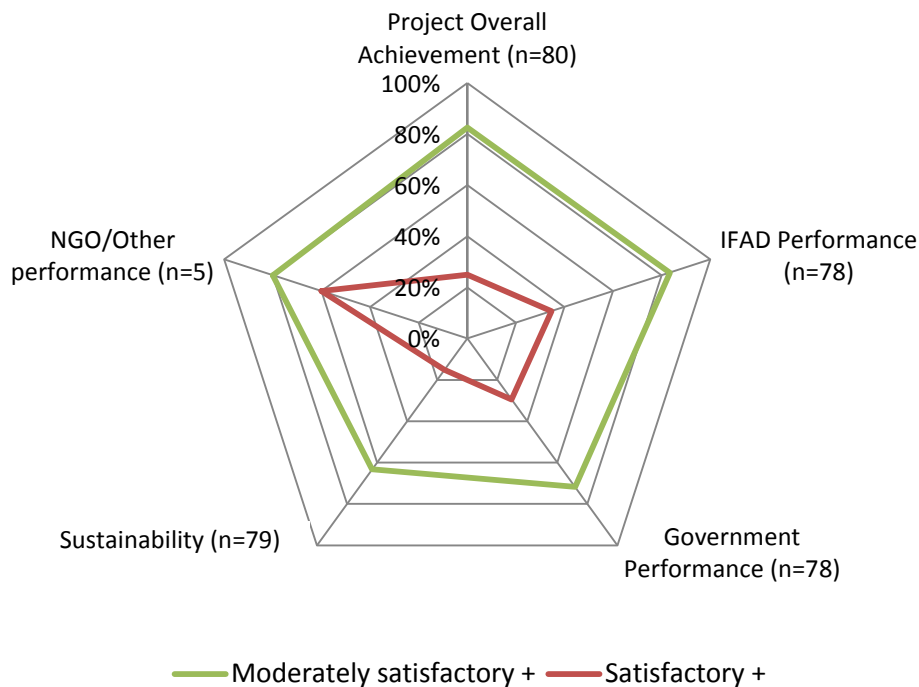
<sup>14</sup> The full Evaluation Manual (2009) may be seen at [http://www.ifad.org/evaluation/policy/new\\_policy.htm](http://www.ifad.org/evaluation/policy/new_policy.htm).

<sup>15</sup> High and low “ratings” refer to the proportion of projects that meet the indicated threshold.

<sup>16</sup> Each evaluation criteria assessed by IOE is rated on a scale from 1 to 6, where 1 = highly unsatisfactory; 2 = unsatisfactory, 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; and 6 = highly satisfactory.

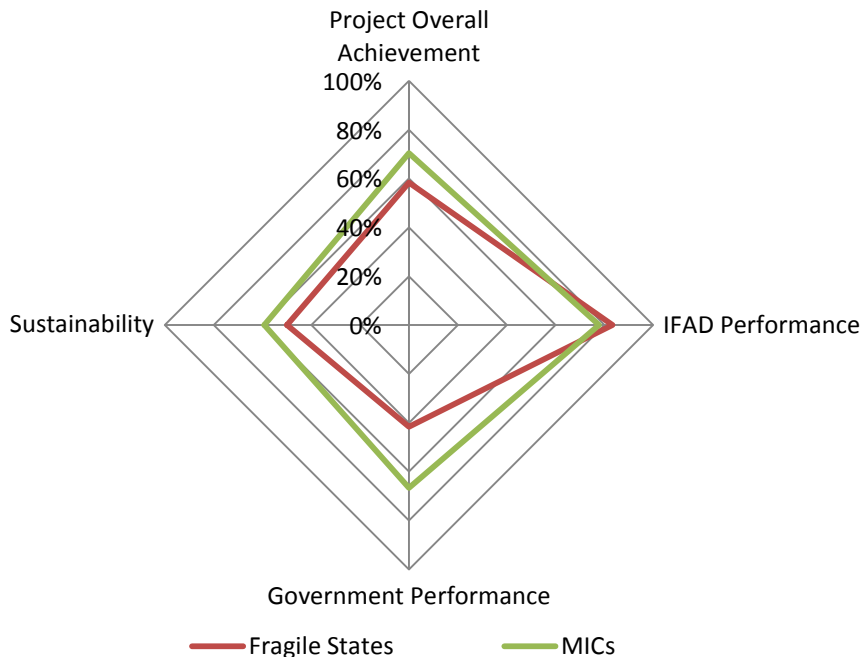
<sup>17</sup> This was a serious issue found in the IOE evaluation of an IFAD-funded project in the St Vincent and the Grenadines.

**Figure 1. ARRI ratings, projects approved 1999-2007**



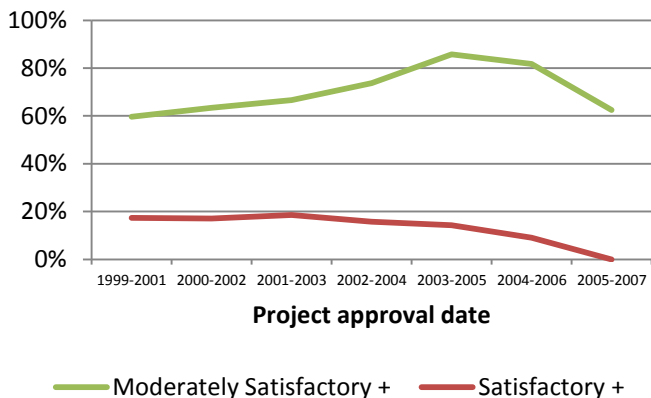
21. The disaggregation of the data across different country categories confirms the special challenge of operations in fragile states. Government performance in fragile states was rated moderately satisfactory or better in only 20% of projects, a gap of more than 20% with middle income countries (MICs); however, the gap between MICs and fragile states in ratings of project overall achievement is smaller (see figure 2). These findings are not surprising, given that fragile states normally have lower CPIA (i.e. the World Bank Country Policy and Institutional Assessment) scores, implying they have weaker policies, institutions and capacities as compared to other country categories. In any case, this issue is being further studied in the context of the ongoing corporate-level evaluation on IFAD’s engagement in fragile states and conflict-affected situations, which will be completed in the first part of 2015.

**Figure 2. ARRI ratings, Moderately Satisfactory +, projects approved 1999-2007**

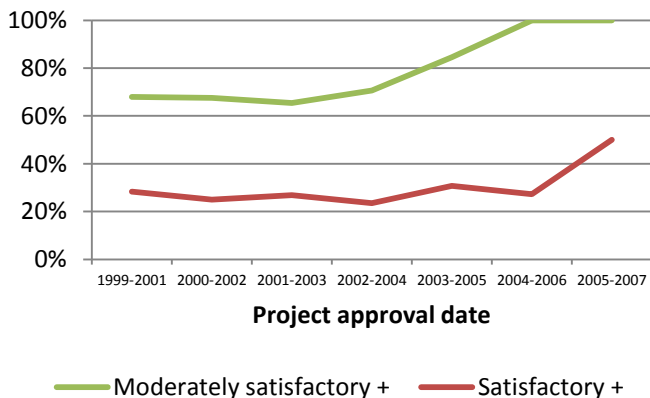


22. An examination of the trends across time points [see figures 3(a) and 3(b)] to a marked improvement in government performance but a particularly worrisome situation with respect to sustainability and ownership, with no projects approved between 2005-2007 rated satisfactory or better in the ARRI ratings.

**Figure 3a. Sustainability**



**Figure 3b. Government performance**

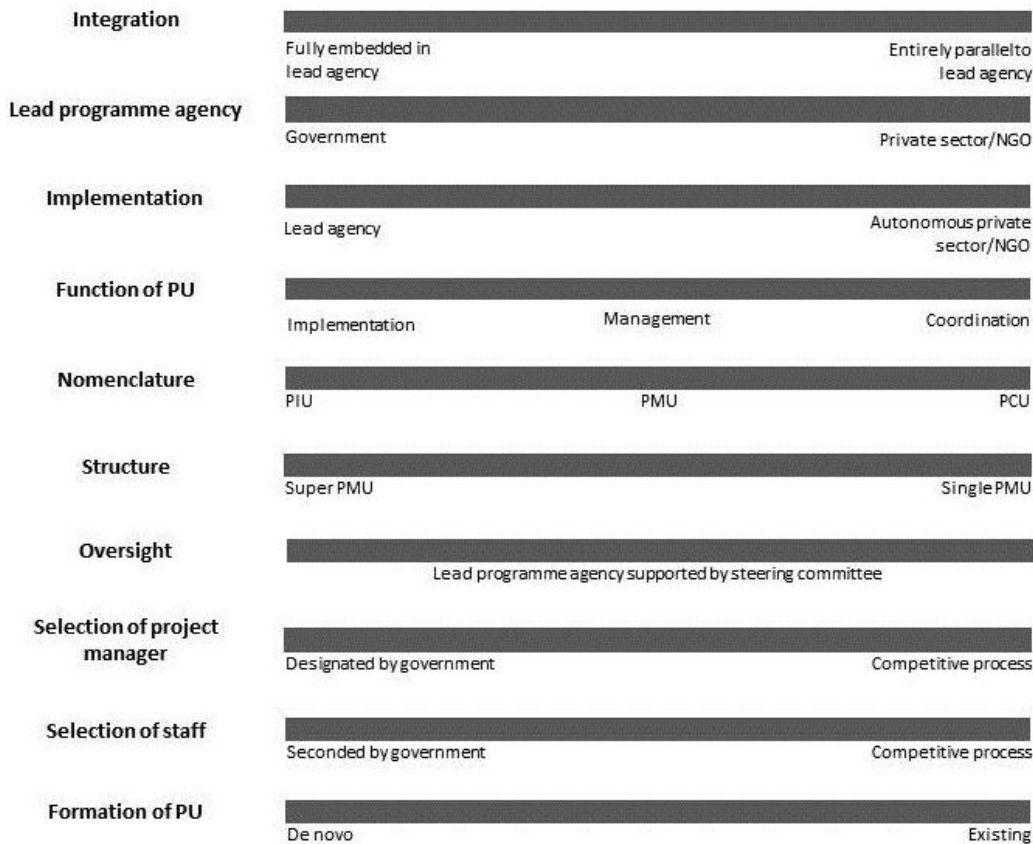




## IV. Characterization of project management arrangements in IFAD-funded operations

23. The following framework seeks to illustrate the multitude of dimensions that can be considered in reviewing these arrangements for IFAD-funded operations. Some of the dimensions exist on a continuum across projects, while others reflect a diversity of extant arrangements. The number of dimensions in itself illustrates the complexity of the topic and challenges of related analysis. It also explains the numerous variants of such arrangements that are possible and do, in fact, characterize IFAD-funded operations.

**Figure 4. Project management arrangement attributes**



24. The attributes of project management arrangements outlined above are focused on design parameters and choices therein. Some of the choices are necessarily influenced by country context, and most by the project context including its scope and complexity. IFAD’s role and contribution with respect to making these choices as part of project design varies across countries. The choices have a definite bearing on the capacity (and hence possible technical assistance required in the country to manage the arrangements effectively). Importantly, choices related to a number of the attributes have implications for sustainability and for building in measures to promote sustainability after IFAD funding has run out. There is also the related impact on the potential for scaling up impact beyond the direct impact of the operation.

## V. Selected attributes

### A. Integration

25. In the context of the Paris Declaration, the “integration” of project units into the relevant government ministries (typically, the Ministry of Agriculture) or other

government agencies is a critical parameter. On this dimension, the arrangements can be sorted into two broad categories: use of fully integrated arrangements and use of units that are parallel, albeit to a varying degree. Of the 60 projects reviewed, 8 were fully integrated into/embedded in the government structure, while 49 were or are being managed by PMUs that are parallel to existing government structures, albeit to a varying degree (see table 2).

**Table 2. Integration of PMUs**

<i>Time of project approval</i>	<i>Parallel to varying degree</i>	<i>Integrated</i>	<i>Other</i>
1999-2004	18	1	2
2007-2008	14	4	1
2011	18	2	0
<b>Total</b>	<b>50</b>	<b>7</b>	<b>3</b>

## B. Implementation responsibility

26. Implementation of IFAD-funded operations is largely the responsibility of the lead executing agency. Typically, the lead executing agency is a central government ministry, usually the Ministry of Agriculture (other ministries may be designated as the lead executing agency depending on the type of project, for instance, the Ministry of Fisheries in Indonesia or the Department of Agrarian Reform in the Philippines). In some cases, the implementation responsibility is decentralized to state or provincial government agencies (e.g. in Brazil). If the lead executing agency is a state or provincial government, the PMU may be either parallel to some degree or fully integrated.
27. Projects in which the lead executing agency is an institution other than a national, state, or provincial government agency are few. These are reflected in the “other” category in table 2 and refer to projects that have an ongoing quasi-public institution or an NGO as the lead programme agency. This is typically the case for micro-finance operations (see box 3).

### Box 3. Arrangements for rural finance projects

As noted in the PTA study, the clearest difference in project management arrangements appears to be between rural finance projects and “other projects”. In rural finance projects, implementation is primarily undertaken by microfinance institutions themselves, and “beneficiaries” are the clients. In other projects, PTA did not find any correlation between the type or sector of project and specific project management characteristics; rather, project management arrangements were tailor-made for each country and project context.

The three cases of rural finance in our sample are Micro-Finance in Bangladesh (implemented by the Palli Karma-Sahayak Foundation), the National Microfinance Support Programme in India (implemented by the SIDBI Foundation for Micro-Credit),<sup>a</sup> and the Programme for Increasing Sustainable Microfinance in Pakistan (implemented by the Pakistan Poverty Alleviation Fund, a borrower-established non-profit company). While these three cases are in South Asia, the arrangement can be found also in countries outside the region, such as in Yemen. Multiple projects in Yemen had the Economic Opportunities Fund (EOF) as the implementing agency which “is expected to bring private-sector principles and speed to the management of public development funds, and appears to be an adequate alternative for responding to the Government’s present weak capacity.”<sup>b</sup> The arrangement was put in place due to political instability and weak capacity in Yemen, and seems to have been well received by both the Fund and the Borrower; EOF is expected to manage future IFAD investments in the country.

<sup>a</sup> SIDBI = Small Industries Development Bank of India

<sup>b</sup> Yemen Country Programme Evaluation

28. It is useful to examine the distribution of responsibility for implementation of project components. Implementation of these components may be shared between the PMU, government agencies, service providers, and community-based organizations such as farmers' associations. Increasingly, IFAD-funded projects rely on autonomous private sector companies and NGOs to implement project components. For example, a commercial firm was responsible for M&E activities in the North Eastern Region Community Resource Management Project for Upland Areas in India. Private sector firms were responsible for oil palm production and processing in the Vegetable Oil Development Project in Uganda.<sup>18</sup> NGOs are frequently contracted for social mobilization and training. Table 3 shows the dominant mode of implementation responsibility in the 60 projects.
29. An analysis of the project financing agreements corresponding to the 60 projects in the sample shows a definite trend away from the use of PMUs to implement project components (table 3). For projects approved in 1999-2004 and 2007-2008, almost a quarter had components that were implemented by the PMU; in 2011, none did. There is a corresponding increase in the use of a combination of government and service providers. Service providers include NGOs and private sector businesses. These data confirm the trend, referred to by several interviewees, toward increasing reliance on service providers to implement IFAD-supported projects. This reveals that PMUs are increasingly and largely responsible mainly for contracting, co-ordination and facilitation of project activities, preparation of the annual work plans and budgets, and M&E and reporting. This implies that greater use is indeed made of national institutions and country systems for implementation purposes, in line with the Paris Declaration.

**Table 3. Dominant mode of implementation of components**

<i>Time of project approval</i>	<i>PMU</i>	<i>Government ministry or agency</i>	<i>Government + service providers</i>	<i>Service providers</i>	<i>N/A</i>
1999-2004	5	7	4	5	0
2007-2008	4	7	3	3	2
2011	0	8	6	3	3

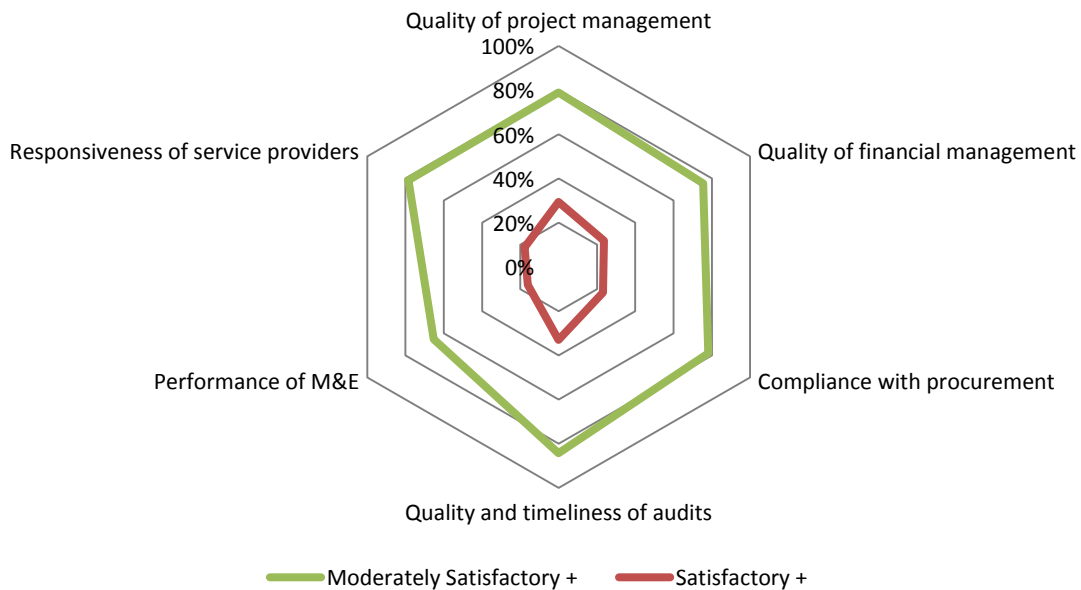
### C. Functions and nomenclature

30. In continuation of the above, PMUs in the IFAD context vary widely in the functions that they perform. These range all the way from implementation of specific components to project coordination. As discussed in the previous section, the function of PMUs may vary from coordinating the actions of subordinate PMUs to implementing specific project components. Stemming from this range of functions (likely from the lack of institutional prescriptions on project management arrangements), the units are named in IFAD documents in a variety of ways. "Project management unit" is the most common name, followed by "project coordination unit", but these units are also called programme coordination and management units, project implementation units, programme leading groups, programme management offices, project support units, programme facilitation teams, project facilitation units, project coordinating office, etc.
31. The majority of interviewees highlighted the importance of ensuring clear responsibility and required capacity for procurement, financial management and M&E. These functions are systematically covered in all projects and reflected in the financing agreements. Another key function of the PMU is the preparation of the annual work plan and budget.

<sup>18</sup> Both these projects were evaluated by IOE, in 2006 (India) and 2011 (Uganda). The respective evaluation reports may be seen at [http://www.ifad.org/evaluation/public\\_html/eksyst/doc/prj/i/index.htm](http://www.ifad.org/evaluation/public_html/eksyst/doc/prj/i/index.htm).

32. Project status reports (PSRs)<sup>19</sup> include a rating for the quality of project management. These ratings together with ratings of performance across different functions are presented below in figure 5. The important function of M&E is rated the weakest. This is not a new finding, and weaknesses in project level M&E is a challenge projects funded by other organizations also face. The drop in ratings between projects approved pre- and post-2009 is noticeable, with only 20% or less of the post-2009 projects reaching the satisfactory or better threshold. There are at least two reasons that could explain a drop in performance of projects approved post-2009. These relate to a more rigorous internal quality assurance system introduced within IFAD in 2008 for assessing project design, and more comprehensive divisional portfolio reviews in recent years including detailed peer reviews of project performance during implementation by both internal and external reviewers.

**Figure 5a. Current projects - All**



<sup>19</sup> The concerned CPM prepares a project status report (PSR) each year during implementation for each on-going IFAD-financed project. PSRs are based on supervision reports and other information available to the CPM, and include an assessment and rating across a number of indicators/criteria (e.g. targeting, M&E, gender, sustainability, etc.). PSRs for the same project are update from year to year.

Figure 5b. Project approved pre-2009

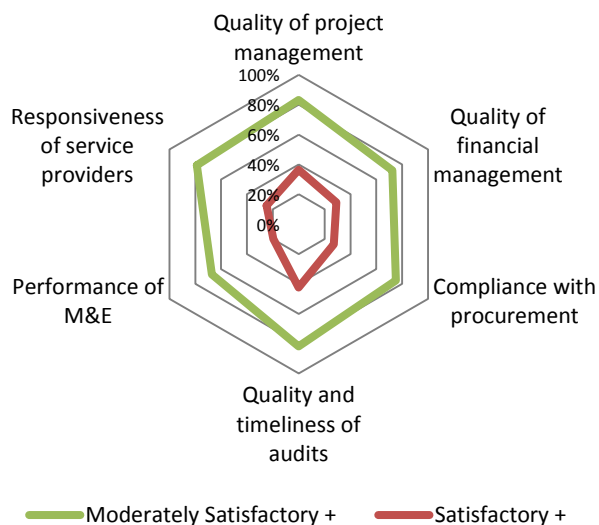
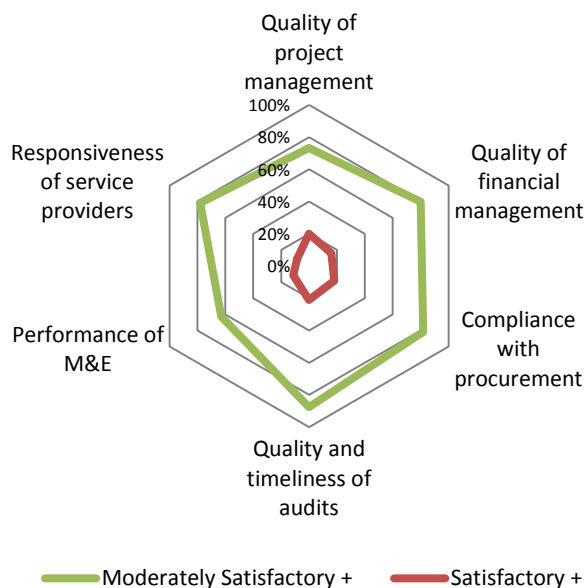


Figure 5c. Projects approved in 2009 and after



#### D. Structure

33. Within the PMU category, project management arrangements can be broadly classified into four sub-categories: single, multi-layered, multiple parallel, and the Super PMU (see table 4). Given IFAD’s institutional flexibility in terms of designing project management arrangements, there are many variations on these sub-categories, but these distinctions give a broad sense of patterns to aid analysis.

Table 4. Types of PMUs

Time of project approval	Single PMU	Multi-layered PMU	Multiple parallel PMUs	Super PMU
1999-2004	10	4	1	3
2007-2008	8	3	2	1
2011	8	5	2	3
<b>Total</b>	<b>26</b>	<b>12</b>	<b>5</b>	<b>7</b>

34. Single PMUs (one for each IFAD-funded project) were the most common project management arrangement over this time period, accounting for more than half of all PMUs. In this arrangement, one PMU is responsible for managing the implementation of project components over the project’s entire geographic area. Evaluations show there are several advantages in this model, including dedicated attention by the PMU to implementation. For instance, the Mozambique country programme evaluation (CPE) by IOE (2010) found that such PMUs can indeed contribute to better project efficiency, as they are fully responsible for ensuring timely implementation. On the other hand, single PMUs pose some challenges including in terms of sustainability of activities. That is, given PMUs are normally disbanded after the project completion date and without clear exit strategies, there is no assurance that critical post-project recurrent activities will receive the required attention by the main executing agency after project closure.

35. Multiple PMU arrangements take two main forms. In one variation, there is a layered, hierarchical arrangement of PMUs based on the geopolitical structure of the project area. A national PMU may coordinate between a number of PMUs at province or district levels, which in turn, coordinate PMUs at the county or township level, etc. The first layered approach is most visible in China, where projects have one PMU at province level, followed by PMUs at county and township levels. Four projects in China approved between 2000 and 2011, with different targets and implementing ministries, all use this approach. The China CPE (2014) found this model to work well, partly because it built wider ownership at different administrative levels and that the PMUs (at either the national, provincial, county or township levels) could more easily mobilize a varying degree of technical inputs from different government departments, as and when needed. However, such structures require more attention in terms of coordination and communication to ensure the delivery of services and activities.
36. In a second variation, multiple parallel PMUs are established to cover distinct geographic areas. The parallel approach can be seen in some projects in India. The Himalayas Livelihood project,<sup>20</sup> with a large target population and territory across two non-contiguous states, incorporates PMUs in each state. These PMUs each have a project coordinator, and largely act independently of each other. The same model is visible in the Jharkhand-Chhattisgarh Tribal Development Programme in India, where IOE is currently undertaking an impact evaluation. Based on initial analysis from the project performance assessment and the impact evaluation, it is evident that there was limited exchange of information and knowledge and co-ordination between the two PMUs during implementation. The financial costs of having two very separate PMUs under one IFAD loan-funded project also merits consideration.
37. Finally, Super PMUs are units that manage two or more IFAD-funded projects (or other donor agencies projects) while retaining the financial and managerial autonomy of PMUs. In this category, we also include PMUs that have been re-used from previous projects (but exclude PMUs that manage subsequent phases of projects). Seven projects in the sample were managed by Super PMUs. Among other issues, this has the advantage in terms of cross-fertilization of knowledge and restricts overall costs for project management at large.
38. Tables 2 and 3 illustrate that there has been little change in the pattern of project management arrangements at IFAD over the 1999-2011 period. Within the sample, a large majority of IFAD-supported projects still use PMUs for project management, and the mix of the types of PMUs has remained more or less the same. Two significant developments —the 2005 Paris Declaration and IFAD’s adoption of direct supervision and implementation support (DSIS) in 2007—appear to have had little effect on IFAD’s project management arrangements, at least at this broad level of categorization.
39. The DSIS has however brought about a very important evolution in IFAD’s operating model. It has given IFAD staff an opportunity to directly - rather than through cooperating institutions, which were responsible for supervision in the past - work with and support PMU teams during implementation. DSIS has therefore, on one hand, strengthened IFAD’s knowledge and understanding of project management issues, and on the other hand, allowed CPMs and related technical staff to contribute to resolving bottlenecks emerging during implementation in a more timely and effective manner.

## **E. Steering committees**

40. While the heads of PMUs (i.e. the project directors and/or managers) are responsible to the executing agency, most IFAD-supported projects build in a “steering committee.” Though the precise role is not always clear, they are intended to carry out broadly the same function (oversight) and operate in a similar manner. They are

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<sup>20</sup> IOE is currently preparing a project performance assessment of this operation.

expected to meet anywhere between once to four times a year, with representatives from all stakeholders in the project. The chair of the committee is a representative from the designated executing agency, which in a large number of cases is the Ministry of Agriculture, and that representative is supposed to be either the minister or a high-ranking deputy. The committees are also joined by representatives of concerned NGOs, private sector partners, and other relevant organizations, as well as by IFAD staff (usually from the country office). These committees are intended to be a forum for relevant stakeholders to convene and discuss the progress of the project, and take steps to address relevant issues.

41. The PTA study on PMUs pointed out that steering committees have not proven to be effective and offer limited strategic guidance. Issues raised in interviews conducted for that study included inactive steering committees, weak capacity of steering committee membership, and lack of balance of membership. The study notes that even when the preceding issues appeared to be resolved on paper, "reports indicate that senior members would delegate meetings to junior members," reintroducing the problem of lack of capacity and lack of authority. This was confirmed in this review and was a sentiment echoed in the large majority of interviews with country programme managers, though one interviewee did highlight the steering committee's importance for generating buy-in at a local level. Project completion reports and project performance assessments rarely mention steering committees and thus shed little light on this subject.
42. The Moldova CPE from 2014 points to the IFAD programme in that country as an exception in this regard with a positive assessment of the steering committee arrangement. Moldova is one of the countries in which IFAD operations are managed by a Super PMU. A single steering committee was established by government decree to oversee all IFAD operations. Instead of having to meet once or twice a year for each individual IFAD project, the steering committee can discuss all IFAD projects at the same time. This has allowed for better synergy across the projects in the country programme, better partnership-building with key government agencies, and greater ownership of the programme by the government. The ministers and other high-ranking officials do attend the meetings since they are discussing multiple projects at once. This appears to be the case also for the Honduras programme, which is also managed by a Super PMU.

## **F. Management and staffing**

43. The composition of the PMU in terms of staffing is decided during the design stage of the project (as long as it is a new PMU being formed). The positions to be filled vary by project and are typically reflected in the project financing agreement along with related "conditions." The most important position to be filled is that of the head of the PMU, titled variously as project director, project manager and project coordinator, etc. The processes for filling this position include nomination by the government, selection by the ministry (with or without approval from the Fund), selection through national or international competitive process, and "transfer" from a previous project.
44. The most common method of selecting a project manager is through designation by the ministry. Based on the limited sample, the use of this method appears to be declining over time, in relative terms (see table 5). At the same time, the percentage of project managers who were appointed through transfer from previous IFAD-funded projects and selected through a competitive process has risen. This is a good development. In some instances of concern about the designated project manager/director, innovative solutions such as a "deputy" or a parallel second (in one cited instance, "international") manager have been put in place. This has however caused some complications in communication and relationship between the project manager/director and his/her deputy, as was found in the evaluation by IOE of the National Smallholder Support Project in Sao Tome and Principe. Staffing of

procurement, financial management, and M&E functions is typically either through secondment directly from ministries or selection through an open competitive process.

**Table 5. Project manager selection**

<i>Time of project approval</i>	<i>Designated by ministry</i>	<i>Competitive selection</i>	<i>“Transfer” from previous project</i>	<i>IFAD choice</i>	<i>Not applicable</i>	<i>Not available</i>
1999-2004	11	6	1	2	1	0
2007-2008	9	5	2	0	2	1
2011	8	6	4	0	0	2
<b>Total</b>	<b>28</b>	<b>17</b>	<b>7</b>	<b>2</b>	<b>3</b>	<b>3</b>

45. As mentioned earlier, it should be noted that IFAD-funded operations typically rely on national staff for these units. One of the main concerns raised by several evaluations (e.g. Orissa Tribal Development Project in India) was the frequent transfer of project directors and other technical staff during implementation. This caused disruption and delays in implementation. Hence, continuity in staffing is key. Other evaluations have shown that the experience, expertise and performance of the project director him/herself and other staff are key determinants of implementation progress and project effectiveness. In fact, some evaluations found that a good project management team increases the chances of positive outcomes (e.g. the Dom Helder project evaluation in Brazil), even in situations when project design might have had some limitations. On the other hand, there are several examples that show that a strong design associated with a weak management team does not necessarily guarantee final success.

## **G. Cost of project management and its financing**

46. There appears to be no clear guidance on what is to be included under the heading of project management. The component typically includes PMU operating expenses, staff training costs, orientation and annual review workshops, establishment of an M&E system, and development of appropriate communication methodologies. It is linked somewhat to the annual work plan and budget (AWPB) for each project and is written into the project financing agreement. In general, the PMU prepares a draft of the AWPB and presents this draft to the steering committee, lead programme agency, and IFAD. The AWPB always includes a list of activities to be undertaken in the next year and the sources and uses of project funds.
47. Table 6 below shows the average project management cost as a percentage of the total project cost, as well as the average IFAD contribution to both the project management component and the overall project.<sup>21</sup> While project management costs average around 10% of total project costs across the three groups, the percentage in specific projects as shown in President’s Reports and other project design documents ranged from less than 5% to as high as 25%. There are examples of projects evaluated by IOE where around 40% of total costs were spent on project management at the time of closure. As indicated below, IFAD has financed a higher proportion of project management costs than of other project components.
48. Interviews suggest that there is little of consistency with respect to what is included in this category in different projects, and that there is significant flexibility to move costs across financing categories at the outset and in the course of implementation. This was reflected in statements about the possibility to hide costs and redirect expenses. This makes it a challenge to systematically track (let alone assess) project management costs, including costs that may be hidden, and has potential adverse

<sup>21</sup> These data were taken from President’s Reports and related documents.



implications for project efficiency and IFAD funds available for other project components.

49. With regard to the aforementioned, evaluations have also found that costs for M&E are often embedded with the overall “project management” cost category. At times, in fact, there is no specific sub-item dedicated to M&E in the project management cost category (see, for example, Raymah Area Development Project evaluation in Yemen). This has allowed on some occasions project management to reallocate funds from M&E to other activities, thereby reducing the availability of resources for critical M&E activities.

**Table 6. Project management costs**

<i>Time of project approval</i>	<i>Project management cost as percent of</i>		<i>IFAD share of</i>	
	<i>Total project cost</i>	<i>IFAD loan</i>	<i>Project management cost</i>	<i>Project cost</i>
1999-2004	11%	14%	72%	58%
2007-2008	10%	13%	68%	54%
2011	9%	9%	54%	54%

Source: President’s Reports and related documents

## H. Government and IFAD role with respect to project management arrangements

50. The respective roles of governments and IFAD over project design are important drivers of project management arrangements. In interviews conducted with CPMs and regional directors, many expressed a shift in the way that governments view their relationship with IFAD toward a heightened role in the choice of project management arrangements and staff selection. This can be positive or negative—increasing effectiveness through a sense of ownership and deep knowledge of local capacity and institutions, or decreasing effectiveness by constraining the use of best practices.
51. In interviews, staff and managers noted that especially in some large middle-income countries, the government’s enhanced role drives the choice of project management arrangements. China and India, for example, appear to rely consistently on a model that works for them. China consistently implements its projects through government institutions at the provincial and country levels. India devolves much of its project arrangements to “societies”, even though some projects also have “classic” project management units.
52. As another example, in Tanzania the Government and a group of donors (including IFAD) have jointly prepared an agricultural sector-wide approach (SWAp), known as the Agricultural Sector Development Programme. This programme had no dedicated PMU as it was mainstreamed in government national institutions and had an important element of decentralization of planning of agricultural development activities to local government authorities (mainly districts). Emerging findings from a recent CPE by IOE in Tanzania point to an overall important institutional capacity impact of this project as well as significant effects on farm productivity and farmers' incomes on the ground. However, this represents a very special situation where the Government and the donors have gone through a long and detailed process to define the programme contents and the implementation modality. IFAD is unlikely to face a similar situation in the majority of countries where it intervenes, also because SWAps in agriculture are not a widespread development modality.
53. In some of the relatively smaller countries, IFAD is often able to play a larger role. For example, in Madagascar, the Ministry of Agriculture established a Super-PMU, the IFAD Programme Support Unit (CAPFIDA in its French acronym). Set up in the late 1990s as a simple accounting support unit for IFAD-financed projects, its mandate was expanded to include administrative support, supervision and auditing, and since 2007

it has been providing support to the IFAD programme, including monitoring of the COSOP, partnership development, public policy dialogue, knowledge management, and communication. This unit is integrated in the Ministry of Agriculture but its costs are paid for from IFAD loan funds. According to the Madagascar CPE, this Super-PMU has not only supported project implementation but also been instrumental to important non-lending activities.

54. With respect to IFAD, the majority of those interviewed noted that its role in the design of project management arrangements largely reflected the experience and preference of the responsible CPM. A statement along the lines of “there are as many models as there are CPMs” featured in more than one interview. Interviewees pointed to examples where the pattern of these arrangements in some countries changed with a change of the CPM. A similar finding has appeared in the corporate-level evaluation on IFAD’s efficiency, which found that some key features of IFAD’s operating model (e.g. supervision, country presence, etc.) are left for the CPMs to determine. On one hand, this is positive as it allows for tailoring to better fit country context. On the other hand, it had led to a wide diversity of approaches across projects, countries and regions, which makes cross-fertilization of experiences and learning more difficult. A better balance between consistency of approaches and customization to country situations would be worth considering to fulfill wider institutional goals of efficiency and effectiveness.
55. Another important finding from several evaluations is that IFAD country presence (e.g. Kenya CPE) is important to support project management. IFAD country office staff are able to provide more immediate implementation support to project authorities, given their proximity to the project. The out-posting of the CPM is another positive feature. This is because out-posted CPMs normally have the authority required to take key decisions on issues related to project management more rapidly on the spot, rather than having to refer issues to headquarters in Rome, which might require more time for processing.

## **VI. Lessons from quality assurance**

56. As mentioned earlier, in 2008, IFAD introduced an arms-length quality assurance system to assess the robustness of project design. Project management is the issue most frequently raised in IFAD’s internal (ex-ante) quality assurance of new project designs. Of the 217 quality assurance reviews conducted from 2008 to 2014, half (109) include significant comments on institutional arrangements, implementation arrangements, and project management. The fact that comments on these issues come up so frequently at that late stage in the design process further reflects the lack of systematic institutional guidance on project management arrangements.
57. A review of those quality assurance reports revealed that the following sub-topics were most likely to receive special attention: project management arrangements, including monitoring and funding arrangements; recruitment of qualified staff (including project managers); provisions to build capacity in local institutions through the project; and the role and capacity of service providers. The frequency of comments about local capacity and institution-building point to shortfalls in this important area. The above is interesting because evaluations by IOE often raise such issues. For example, the Indonesia CPE (2013) found that staff and institutional capacity at the district levels is rather weak, which was a key factor affecting the performance of IFAD-supported projects.

## **VII. Capacity development, sustainability, and scaling up**

58. The key motivation in the choice of project management arrangements is that of “efficient” and expeditious project implementation and disbursement. In this context, a number of interviewees pointed to the benefit of full-time, dedicated PMU staff.

When combined with the practice of a monetary incentive,<sup>22</sup> this often results in efficient arrangements for project implementation; what is here, however, is the change to exert effective capacity development in line ministries. This trade off may be exacerbated by the increasing use of service providers outside the government. At the same time, capacity development is a vital component of sustainability and scaling up.

59. Country programme managers and other interviewees countered the view that PMUs undermine capacity development and pointed to the capacity-building potential of project management arrangements. One compared PMUs to scaffolding: IFAD puts project management systems (the scaffolding) into place with the goal of building mature, effective systems and strong institutional capacity (the house) through the implementation of the project. One regional director suggested that, starting in the project design phase, project management arrangements should stem from and be seen as the first step toward this ultimate goal of capacity-building. This is very much in line with the recommendation from the PTA study that capacity-building be considered as “an integral management approach.”
60. The PTA study refers to successful examples of one form of scaling up - sustained and/or extended IFAD support, with elements of geographic, population, and technical scaling up. However, the form of scaling up that is more relevant to IFAD’s ability to effectively deliver benefits to its clients is the adoption of IFAD-funded programmes by partner institutions and, particularly, governments. Complex project designs supported by complex project management arrangements dependent on continued IFAD funding are likely to constrain the potential for scaling up.

## **VIII. Issues for further reflection**

61. This review points to the following key issues for the further discussion on project management and their arrangements. They are not exhaustive, but are listed as they are the most prominent ones emerging during the preparation of this Issues Paper.

### **Paris Declaration: Compliance or current path?**

62. As assessed by the OECD-Development Assistance Committee (DAC) review of progress under the Paris Declaration, IFAD is relatively unique in its continuing and growing use of parallel PMUs. As mentioned earlier, the special nature of IFAD projects might well require an approach that is different from that used by other multilateral development banks. The challenge for IFAD is then not necessarily to demonstrate “compliance” with the Paris Declaration but rather to undertake in-depth analysis of the project management arrangements needed for effective project implementation and to maximize development effectiveness in the circumstances encountered in IFAD-funded projects.

### **Typology/guidance for project management arrangements**

63. Project management arrangements are fundamental to successful projects and necessarily need to be “tailored” to the country and project context. At the same time, the wide variety of different arrangements in IFAD-funded operations does not seem to depend on the type of activities being financed but rather points in the direction that the arrangements might be largely driven by the preferences of governments and the CPMs.
64. A number of interviewees pointed to the lack of knowledge-sharing, particularly across regions. The knowledge of what works, what does not and why obtained from

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<sup>22</sup> Since PMUs often offer a pay increase over government service, PMU staff recruited from the government are not likely to return to government service once IFAD projects end. This has important implications for sustainability and scaling up, as the knowledge gained by PMU staff risks being lost once the project is completed.

practical, on-the-ground experience of individual CPMs is not readily available to others. This points to the potential benefits of systematic learning from IFAD's experience over the years to develop a clear typology and related guidance on the arrangements that are suitable for different types of projects. The lack of such institutional "good practice" guidance in this matter is a clear and fundamental gap in the "toolkit" available to CPMs/project teams.

### **Institutional capacity assessment/analysis and capacity enhancement**

65. There is little evidence of systematic institutional capacity assessment as the basis of the design of project management arrangements in IFAD-funded projects. The limited specialized skills/expertise in-house or in the consultants that are part of project teams falls well short of the requirement for institutional analysis of each project. The issue of whether IFAD should further build such skills/expertise in this field merits attention.
66. In a similar context there is little information on what happens to the staff of PMUs when projects are completed, except in cases where they move to another IFAD-supported PMU. Analysis of this issue would be useful to underpin PMU staffing arrangements and incentives that maximize the prospects that the staff carry any learning and knowledge back to say, their "home" ministry, as individuals and also as teams.

### **Specific design issues**

67. This review points to the need to further examine several specific issues and incorporate any lessons in the guidance for staff. These include:
  - **Use of steering committees.** Although there are exceptions, steering committees appear to bring limited benefit. While the potential benefits—generating buy-in and ownership, facilitating coordination across ministries/agencies, and enabling attention at the appropriate level and decisions to address problems as they arise etc.—are clear in theory, practice falls well short.
  - **PMU leadership, staffing and performance.** PMU effectiveness is critically dependent on leadership, staffing and incentives. Practices in this respect and related provisions in project financing agreements vary across countries. These factors merit special attention.
  - **Responsibility for procurement, financial management and M&E.** There is clear consensus that inadequate procurement capacity is a major cause of implementation delays, while lack of attention to and expertise in M&E arrangements limit the ability to measure progress during implementation. Effective arrangements to address the responsibility and capacity for these aspects based on long-term needs rather than on a project-by-project basis deserve further consideration.
  - **Cost of project management.** Project management costs, as shown in project documents, vary from less than 5% to as much as 25% at design stage; actual costs are often higher. Lack of clear, consistent definition of what is recorded under this category and significant flexibility to move costs across financing categories needs attention if IFAD is to meaningfully track efficiency of project management arrangements as well as ensure that project management costs are not funded at the expense of funds for other project components.
  - **Use of Super PMUs.** Super PMUs, particularly where they are not an additional "layer", appear to have several potential advantages over single-project PMUs with respect to project implementation. There are also selected examples of Super PMUs managing projects funded by different donors.

- **Extensive use of service providers, NGOs and United Nations agencies.**

Reliance on service providers, NGOs and United Nations agencies for project implementation is higher in IFAD-funded projects than in the operations of comparator organizations. There appears to be a growing trend toward the use of service providers and, more recently, some experimentation with the use of quasi-public agencies. The pros and cons of these approaches, an understanding of the circumstances where these approaches are desirable, and the related policies and procedures merit attention.

68. It should be noted that several of these issues were also raised and addressed in the recommendations of the PTA study, as summarized in box 1 in the introduction.

**Implications for development impact: Sustainability and scaling up**

69. A final critical issue that merits further in-depth analysis is that of the implications of the project management arrangements typical of IFAD-funded operations for the sustainability of the intended benefits once project funds run out and for potential scaling up of their impact through the replication and/or scaling up by the government and/or other development partners.

## List of projects

Project ID	Project name	Country	Loan amount	Approval date
1093	Rural Diversification Programme	Mauritius	8 200 000	4/29/1999
1122	Area-Based Agricultural Modernization Programme	Uganda	9 600 000	12/8/1999
1039	Forest Resource Management Project	Zambia	9 150 000	12/9/1999
1121	National Microfinance Support Programme	India-02	16 350 000	5/4/2000
1153	West Guangxi Poverty-Alleviation Project	China	23 800 000	12/7/2000
1175	Community-Based Rural Development Project in Kampong Thom and Kampot	Cambodia	7 850 000	12/7/2000
1161	National Smallholder Support Programme - Phase II	Uruguay-01	10 820 000	12/7/2000
1198	National Programme For Local Development	Honduras	15 500 000	4/26/2001
1196	Rural Development Program	Nigeria	23 800 000	9/12/2001
1215	Reconstruction And Rural Modernization Programme	El Salvador	15 650 000	12/6/2001
1187	Rural Enterprises Project – Phase II	Ghana	8 500 000	9/5/2002
1234	Mount Kenya East Pilot Project for Natural Resource Management	Kenya	12 700 000	12/11/2002
1235	Microfinance and Technical Support Project	Banglades	11 900 000	4/10/2003
1237	Pastoral Community Development Project	Ethiopia	14 400 000	9/11/2003
1265	Agricultural Revitalisation Project	Moldova	10 300 000	12/17/2003
1261	Rural Poverty Reduction Project in Prey Veng and Svay Rieng	Cambodia	10 850 000	12/18/2003
1226	Livelihoods Improvement Project in the Himalayas	India	27 900 000	12/18/2003
1227	Rural Finance Sector Programme	China	9 950 000	4/21/2004
1289	North-East Development Project	Azerbaijan	8 600 00	9/9/2004
1307	Rural Areas Economic Development	Armenia	10 450 000	12/2/2004
1325	Rural Development Project	Georgia	6 600 000	4/19/2005
1370	Participatory Small-scale Irrigation Development Programme	Ethiopia	13 300 000	4/18/2007

Project ID	Project name	Country	Loan amount	Approval date
1330	Smallholder Horticulture Marketing Programme	Kenya	15 600 000	4/18/2007
1413	Programme for Increasing Sustainable Microfinance	Pakistan	22 850 000	9/12/2007
1400	Inner Mongolia Autonomous Region Rural Advancement Programme	China	19 100 000	12/13/2007
1398	Rural Development Project for the North-west	Azerbaijan	10 850 000	12/13/2007
1352	Project for Strengthening Assets, Markets and Rural Development Policies in the Northern Highlands	Peru	9 050 000	12/13/2007
1407	Project for Enhancing the Rural Economic Competitiveness of Yoro	Honduras	5 980 000	12/13/2007
1355	National Agricultural Technology Project	Bangladesh	13 300 000	12/13/2007
1422	Developing Business with the Rural Poor Programme	Viet Nam	22 300 000	12/13/2007
1451	Rural Livelihoods Development Project	Bosnia Herzegovina	7 500 000	12/17/2007
1418	Mitigating Poverty in Western Rajasthan Project	India	18 460 000	4/24/2008
1357	Marine and Agricultural Resources Support	Mauritius	3 450 000	4/24/2008
1429	Support to Farmers' Professional Organizations and Agricultural Services Project	Madagascar	11 450 000	9/11/2008
1341	National Programme for Community Empowerment in Rural Areas	Indonesia	42 033 300	9/11/2008
1371	Rural Financial Intermediation Programme	Lesotho	2 850 000	9/11/2008
1362	Rural Microfinance Development Support	Cameroon	1 950 000	9/11/2008
1428	Rural and Agricultural Finance Programme	Ghana	4 050 000	12/17/2008
1473	Sustainable Rural Development Programme for the Northern Region	Guatemala	12 100 000	12/17/2008
1373	Rural Finance and Enterprise Development Programme	Swaziland	4 050 000	12/17/2008
1561	Integrated Rural Development Project	Azerbaijan	12 250 000	5/11/2011
1509	Smallholder Livelihood Development Project in Maluku and North Maluku	Indonesia	30 300 000	5/11/2011
1515	Gwadar-Lasbela Livelihoods Support Project	Pakistan	18 550 000	5/11/2011

Project ID	Project name	Country	Loan amount	Approval date
1455	Market and Pasture Management Development Project	Mongolia	7 250 000	5/11/2011
1610	Inclusive Rural Development Programme	Argentina	35 700 000	9/15/2011
1585	Haor Infrastructure and Livelihood Improvement Project	Bangladesh	34 450 000	9/15/2011
1588	Buen Vivir in Rural Territories Programme	Ecuador	10 710 000	9/15/2011
1521	Rural Financial Intermediation Programme – Phase II	Ethiopia	31 300 000	9/15/2011
1592	Rural Enterprises Programme	Ghana	19 700 000	9/15/2011
1550	Project for Rural Income through Exports	Rwanda	11 600 000	9/15/2011
1614	Support to Agricultural Development and Rural Entrepreneurship Programme	Senegal	20 200 000	9/15/2011
1577	Poverty Reduction Project in Aftout South and Karakoro – Phase II	Mauritania	5 600 000	9/15/2011
1530	Smallholder Agriculture Development Project	Lesotho	3 150 000	11/27/2011
1555	Guangxi Integrated Agricultural Development Project	China	29 650 000	12/13/2011
1571	Promotion of Rural Incomes through Market Enhancement Project	Egypt	44 140 000	12/13/2011
1600	Iranamadu Irrigation Development Project	Sri Lanka	14 350 000	12/13/2011
1617	Integrated Livelihoods Support Project	India	56 700 000	12/13/2011
1616	Smallholder Tree Crop Revitalization Support	Liberia	10 500 000	12/13/2011
1534	Sustainable Agricultural Production Programme	Malawi	14 650 000	12/13/2011
1526	Agricultural Value Chain Development Project in the Mountain Zones of Al-Haouz Province	Morocco	4 100 000	12/13/2011



## **Documents consulted**

### **IFAD project and country documents**

Project design reports

Project financing agreements

Supervision reports

Mid-Term Reviews of projects

Project completion reports

Portfolio performance reviews

Quality assurance reports

Project evaluations

Project performance assessments

Country programme evaluations

ARRI database

Project status reports database

### **Other**

*Water Conservation and Management: Evaluation Synthesis* (IOE, 2014)

*Effective Project Management Arrangements for Smallholder Agriculture* (PTA, 2013)

*Strengthening institutions and organizations: An analysis of lessons learnt from field application of IFAD's sourcebook on institutional and organizational analysis for pro-poor change* (PTA, 2013)

*Aid Effectiveness 2011: Progress in Implementing the Paris Declaration* (OECD, 2011)

*The Busan Partnership for Effective Development Co-operation* (OECD, 2011)

*The Paris Declaration on Aid Effectiveness* (OECD, 2005)

*Special Evaluation Study on the Role of Project Implementation Units* (Asian Development Bank, 2005)

*A Practitioner's Guide to Institutional Analysis* (IFAD, 2004)

*World Development Report 2004: Making Services for Poor People* (World Bank, 2004)

## People interviewed

Michel Mordasini	Vice President
Kevin Cleaver	(Former) Associate Vice President, Programme Management Department (PMD)
Dina Saleh	Country Programme Manager (CPM), (Georgia), Near East and North Africa Division (NEN)
Adolfo Brizzi	Director, Policy and Technical Advisory Division (PTA)
Honnae Kim	Director, Asia and the Pacific Division (APR)
Khalida Bouzar	Director, NEN
Abdoul Barry	CPM (acting as Officer-in-Charge at the time of the interview), West and Central Africa Division (WCA)
Geoffrey Livingston	Regional Economist (acting as Officer-in-Charge at the time of the interview), East and Southern Africa Division
Ashwani Muthoo	Deputy Director, IOE
Fabrizio Felloni	Senior Evaluation Officer, IOE
Shyam Khadka	(Former) Senior Portfolio Manager, PMD
Nigel Brett	CPM (Bangladesh and India), APR
Hubert Boirard	CPM (Central African Republic, Chad, and Liberia), WCA
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## Abbreviations and acronyms

AfDB	African Development Bank
ADB	Asian Development Bank
ARRI	Annual Report on Results and Impact of IFAD Operations
B2B	borrower-to-beneficiary
COSOP	country strategic opportunities programme
CPE	country programme evaluation
DSIS	direct supervision and implementation support
IFI	international financial institution
M&E	monitoring and evaluation
NGO	non-governmental organization
OECD	Organization for Economic Co-operation and Development
PCU	project coordination unit
PIU	project implementation unit
PMU	project management unit
PSR	project status report
PTA	Policy and Technical Advisory Division
SWAp	sector-wide approach